

# System Hygiene Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 August 2017

Howard & Co  
10-12 Wellington Street  
(St Johns)  
Blackburn  
Lancashire  
BB1 8AG

# **System Hygiene Limited**

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# System Hygiene Limited

## (Registration number: 01778990) Balance Sheet as at 31 August 2017

		(As restated)	
	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	<a href="#">4</a>	-	1,360
Tangible assets	<a href="#">5</a>	536,984	570,832
Other financial assets	<a href="#">6</a>	747,863	634,848
		<u>1,284,847</u>	<u>1,207,040</u>
<b>Current assets</b>			
Stocks	<a href="#">7</a>	396,799	412,633
Debtors	<a href="#">8</a>	664,147	663,768
Cash at bank and in hand		677,715	837,088
		<u>1,738,661</u>	<u>1,913,489</u>
<b>Creditors: Amounts falling due within one year</b>	<a href="#">9</a>	<u>(673,451)</u>	<u>(856,176)</u>
<b>Net current assets</b>		<u>1,065,210</u>	<u>1,057,313</u>
<b>Total assets less current liabilities</b>		2,350,057	2,264,353
<b>Creditors: Amounts falling due after more than one year</b>	<a href="#">9</a>	(11,600)	(24,367)
<b>Provisions for liabilities</b>		<u>(77,967)</u>	<u>(70,384)</u>
<b>Net assets</b>		<u>2,260,490</u>	<u>2,169,602</u>
<b>Capital and reserves</b>			
Called up share capital		1,000	1,000
Profit and loss account		<u>2,259,490</u>	<u>2,168,602</u>
<b>Total equity</b>		<u>2,260,490</u>	<u>2,169,602</u>

The notes on pages [3](#) to [11](#) form an integral part of these financial statements.

# **System Hygiene Limited**

## **(Registration number: 01778990) Balance Sheet as at 31 August 2017**

For the financial year ending 31 August 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the provisions of FRS 102 Section 1A - Small Entities. The profit and loss account and director's report have not been delivered in accordance with the special provisions applicable to companies subject to the small companies regime.

Approved and authorised by the director on 22 January 2018

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Mr RM Huddleston

Director

The notes on pages [3](#) to [11](#) form an integral part of these financial statements.  
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# **System Hygiene Limited**

## **Notes to the Financial Statements for the Year Ended 31 August 2017**

### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Altham Business Park

Altham

Accrington

Lancashire

BB5 5YT

These financial statements were authorised for issue by the director on 22 January 2018.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in Sterling, which is the functional currency of the company and are rounded to the nearest pound.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

#### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

# System Hygiene Limited

## Notes to the Financial Statements for the Year Ended 31 August 2017

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

### Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Fixtures and equipment	15% reducing balance basis
Freehold land and buildings	2% straight line basis
Motor vehicles	25% reducing balance basis
Computer equipment	15% reducing balance basis

### Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

### Negative goodwill

Negative goodwill arising on an acquisition is recognised on the face of the balance sheet on the acquisition date and subsequently the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered.

### Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	20% straight line basis

### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

# **System Hygiene Limited**

## **Notes to the Financial Statements for the Year Ended 31 August 2017**

### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.





# System Hygiene Limited

## Notes to the Financial Statements for the Year Ended 31 August 2017

### Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

### Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

### Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

### Employee Benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

## 3 Staff numbers

The average number of persons employed by the company (including the director) during the year, was 52 (2016 - 51).

## 4 Intangible assets

	Goodwill £	Total £
<b>Cost or valuation</b>		
At 1 September 2016	6,800	6,800
At 31 August 2017	6,800	6,800
<b>Amortisation</b>		
At 1 September 2016	5,440	5,440
Amortisation charge	1,360	1,360
At 31 August 2017	6,800	6,800
<b>Carrying amount</b>		
At 31 August 2017	-	-
At 31 August 2016	1,360	1,360



# System Hygiene Limited

## Notes to the Financial Statements for the Year Ended 31 August 2017

### 5 Tangible assets

	Freehold land and buildings £	Fixtures and equipment £	Motor vehicles £	Computer equipment £
<b>Cost or valuation</b>				
At 1 September 2016	532,145	117,929	376,687	137,850
Additions	-	-	40,527	-
Disposals	-	-	(27,759)	-
At 31 August 2017	532,145	117,929	389,455	137,850
<b>Depreciation</b>				
At 1 September 2016	188,113	107,603	172,314	125,749
Charge for the year	10,643	1,548	53,705	1,815
Eliminated on disposal	-	-	(21,095)	-
At 31 August 2017	198,756	109,151	204,924	127,564
<b>Carrying amount</b>				
At 31 August 2017	333,389	8,778	184,531	10,286
At 31 August 2016	344,032	10,326	204,373	12,101
				<b>Total £</b>
<b>Cost or valuation</b>				
At 1 September 2016				1,164,611
Additions				40,527
Disposals				(27,759)
At 31 August 2017				1,177,379
<b>Depreciation</b>				
At 1 September 2016				593,779
Charge for the year				67,711
Eliminated on disposal				(21,095)
At 31 August 2017				640,395
<b>Carrying amount</b>				
At 31 August 2017				536,984
At 31 August 2016				570,832

# System Hygiene Limited

## Notes to the Financial Statements for the Year Ended 31 August 2017

### 6 Other financial assets (current and non-current)

	Financial assets at cost less impairment £	Total £
<b>Non-current financial assets</b>		
<b>Cost or valuation</b>		
At 1 September 2016	634,848	634,848
Fair value adjustments	92,544	92,544
Additions	20,471	20,471
	<hr/>	<hr/>
At 31 August 2017	747,863	747,863
	<hr/>	<hr/>
<b>Carrying amount</b>		
At 31 August 2017	747,863	747,863
	<hr/>	<hr/>

### 7 Stocks

	2017 £	2016 £
Goods for resale	396,799	412,633
	<hr/>	<hr/>

### 8 Debtors

	2017 £	2016 £
Trade debtors	630,559	635,735
Prepayments	33,588	28,033
	<hr/>	<hr/>
	664,147	663,768
	<hr/>	<hr/>

### 9 Creditors

#### Creditors: amounts falling due within one year

	Note	2017 £	2016 £
Bank loans and overdrafts	<a href="#">11</a>	9,867	59,203
Trade creditors		435,021	541,249
Taxation and social security		130,950	125,633
Accruals and deferred income		14,552	27,179
Other creditors		83,061	102,912
		<hr/>	<hr/>
		673,451	856,176
		<hr/>	<hr/>



# System Hygiene Limited

## Notes to the Financial Statements for the Year Ended 31 August 2017

### Creditors: amounts falling due after more than one year

	Note	2017 £	2016 £
Loans and borrowings	<a href="#">11</a>	-	9,867
Deferred income		11,600	14,500
		<u>11,600</u>	<u>24,367</u>

### 10 Share capital

#### Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary of £1 each	1,000	1,000	1,000	1,000
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

### 11 Loans and borrowings

	2017 £	2016 £
<b>Non-current loans and borrowings</b>		
Finance lease liabilities	-	9,867

	2017 £	2016 £
<b>Current loans and borrowings</b>		
Finance lease liabilities	9,867	59,203

#### Finance lease liabilities

Obligations under finance leases are secured on the asset to which they relate.

### 12 Transition to FRS 102

#### Restatement of unlisted investments to market value

Under FRS 102 unlisted investments are required to be measured at market value, with changes in value charged to the profit and loss account. The company previously measured these investments at the lower of cost and market value under old UK GAAP.

The conversion to FRS 102 Section 1A from old UK GAAP has given rise to the adjustments noted below.

# System Hygiene Limited

## Notes to the Financial Statements for the Year Ended 31 August 2017

### Balance Sheet at 1 September 2015

	As originally reported £	Reclassification £	Remeasurement £	As restated £
<b>Fixed assets</b>				
Intangible assets	2,720	-	-	2,720
Tangible assets	623,068	-	-	623,068
Investments	411,933	-	180,513	592,446
	<u>1,037,721</u>	<u>-</u>	<u>180,513</u>	<u>1,218,234</u>
<b>Current assets</b>				
Stocks	360,454	-	-	360,454
Debtors	654,971	-	-	654,971
Cash at bank and in hand	842,764	-	-	842,764
	<u>1,858,189</u>	<u>-</u>	<u>-</u>	<u>1,858,189</u>
Creditors: Amounts falling due within one year	(831,803)	-	-	(831,803)
Net current assets	<u>1,026,386</u>	<u>-</u>	<u>-</u>	<u>1,026,386</u>
Total assets less current liabilities	2,064,107	-	180,513	2,244,620
Creditors: Amounts falling due after more than one year	(84,070)	-	-	(84,070)
Provisions for liabilities	(38,937)	-	(36,103)	(75,040)
Net assets	<u>1,941,100</u>	<u>-</u>	<u>144,410</u>	<u>2,085,510</u>
<b>Capital and reserves</b>				
Called up share capital	1,000	-	-	1,000
Profit and loss account	1,940,100	-	144,410	2,084,510
Total equity	<u>1,941,100</u>	<u>-</u>	<u>144,410</u>	<u>2,085,510</u>

# System Hygiene Limited

## Notes to the Financial Statements for the Year Ended 31 August 2017

### Balance Sheet at 31 August 2016

	As originally reported £	Reclassification £	Remeasurement £	As restated £
<b>Fixed assets</b>				
Intangible assets	1,360	-	-	1,360
Tangible assets	570,832	-	-	570,832
Investments	431,904	-	202,944	634,848
	<u>1,004,096</u>	<u>-</u>	<u>202,944</u>	<u>1,207,040</u>
<b>Current assets</b>				
Stocks	412,633	-	-	412,633
Debtors	663,768	-	-	663,768
Cash at bank and in hand	837,088	-	-	837,088
	<u>1,913,489</u>	<u>-</u>	<u>-</u>	<u>1,913,489</u>
Creditors: Amounts falling due within one year	(856,176)	-	-	(856,176)
Net current assets	<u>1,057,313</u>	<u>-</u>	<u>-</u>	<u>1,057,313</u>
Total assets less current liabilities	2,061,409	-	202,944	2,264,353
Creditors: Amounts falling due after more than one year	(24,367)	-	-	(24,367)
Provisions for liabilities	(29,795)	-	(40,589)	(70,384)
Net assets	<u>2,007,247</u>	<u>-</u>	<u>162,355</u>	<u>2,169,602</u>
<b>Capital and reserves</b>				
Called up share capital	1,000	-	-	1,000
Profit and loss account	2,006,247	-	162,355	2,168,602
Total equity	<u>2,007,247</u>	<u>-</u>	<u>162,355</u>	<u>2,169,602</u>